



COUNTY OF LOS ANGELES

Public Health

JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JONATHAN E. FREEDMAN
Chief Deputy Director

SUBSTANCE ABUSE PREVENTION AND CONTROL

JOHN VIERNES, Jr.

Director
1000 South Fremont Avenue
Building A-9 East, Third Floor
Alhambra, CA 91803
TEL (626) 299-4193 • FAX (626) 458-7637

www.publichealth.lacounty.gov

September 2, 2011



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TO: Each Health Deputy

FROM: John Viernes, Jr., Director 
Substance Abuse Prevention and Control

SUBJECT: **NOTICE TO TERMINATE CONTRACT WITH NEW START D.B.A.
SANTA MONICA BAY AREA DRUG ABUSE COUNCIL**

This is to inform you that the Department of Public Health's Substance Abuse Prevention and Control will not be renewing its Agreement with New Start d.b.a. Santa Monica Bay Area Drug Abuse Council effective July 1, 2011. Serious deficiencies noted in their most recent audit report dated May 17, 2011 included no current business license, no General, Professional or Worker's Compensation Liability Insurance, the State Department of Alcohol and Drug Programs Certification is expired, no facility lease, and agency did not maintain client files, personnel files, progress notes or treatment plans. The agency also failed to submit a corrective action plan as requested.

The agency is located at 100 Market Street, Suite C, Venice, California 90291, in the Third Supervisorial District.

Attached is a list of Santa Monica Bay Area Drug Abuse Council's contract exhibits and funding, and the letter to the agency regarding contract termination.

If you have any questions or need additional information, please let me know.

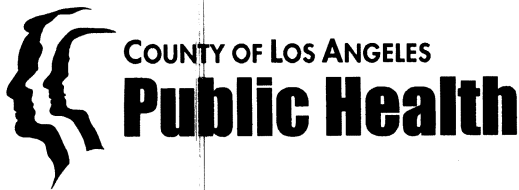
JV:twh

Attachments

c: Jonathan E. Fielding
Jonathan E. Freedman
Sheila Shima
Richard Mason
Tami Omoto-Frias
Stephanie Anaya-Sernett
Maxanne Hatch
Patricia Gibson

SUBSTANCE ABUSE PREVENTION AND CONTORL
Santa Monica Bay Area Drug Abuse Council Contract Listing

Agency Name	Executive Director	Site #	Site Address	SPA	SUP	Contract #	Subtype	Modality	2010-2011 Funding
SANTA MONICA BAY AREA DRUG ABUSE COUNCIL	Anthony Smith	1	2210 Santa Monica Boulevard, Suite C, Santa Monica, CA 90404	5	3	PC00077A	PC1000	PC1000	\$ -
SANTA MONICA BAY AREA DRUG ABUSE COUNCIL	Anthony Smith	1	100 Market Street, Suite C, Venice, CA 90291	5	3	PH-001290A	GR	OC (GR)	\$ 6,519
SANTA MONICA BAY AREA DRUG ABUSE COUNCIL	Anthony Smith	1	100 Market Street, Suite C, Venice, CA 90291	5	3	PH-001326A	CalWORKs	OC (CW)	\$ 12,025
SANTA MONICA BAY AREA DRUG ABUSE COUNCIL	Anthony Smith	1	2210 Santa Monica Boulevard, Suite C, Santa Monica, CA 90404	5	3	PH-001357A	Ongoing	ODFC	\$ 32,564



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September 2, 2011

Anthony Smith, Executive Director
New Start d.b.a. Santa Monica Bay Area Drug Abuse Council
100 Market Street, Suite C
Venice, California 90291

Dear Mr. Smith:

This letter informs you that Substance Abuse Prevention and Control (SAPC) will not renew your Outpatient Contract Numbers PH-001290A, PH-001326A, and PH-001357A for Fiscal Year 2011/2012. SAPC will also remove your name from the PC 1000 Deferred Entry of Judgment approved program listing for the provision of PC 1000 program services, effective July 1, 2011.

Our audit report for FY 2011/2012 listed several serious deficiencies including:

- No current business license
- No General, Professional, or Worker's Compensation Liability Insurance
- State Department of Alcohol and Drug Programs Certification is expired
- No facility lease
- Agency does not maintain client files, personnel files, progress notes, treatment plans

On May 20, 2011 you spoke with Tony Hill, SAPC's Head Contract Program Auditor. He informed you that all corrections must be made by June 17, 2011 or your contracts would not be renewed. As of July 1, 2011, SAPC has not received your corrective action plan.

Contract providers have several obligations after their contract is terminated. I have enclosed a summary of these obligations.

Anthony Smith, Executive Director
September 2, 2011
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If you have any questions or need more information, please contact your Contract Program Auditor.

Sincerely,

A handwritten signature in black ink, appearing to read "John Viernes, Jr.", with a stylized, cursive script.

John Viernes, Jr., Director
Substance Abuse Prevention and Control

JV:tw
Santa Monica Bay Area Drug Abuse Council

Attachment

c: Wayne Sugita
Gary Izumi
Dorothy de Leon
Tony Hill
Andrea Hurtado
Mike Romo
Elaine Moore

**AGENCY RESPONSIBILITIES DURING AND FOLLOWING CONTRACT
TERMINATION**

Page 5 of the ALCOHOL AND DRUG SERVICES AGREEMENT reads in part:

In the event of any termination or suspension of this Agreement, Contractor shall:

- A. Make immediate and appropriate plans to transfer or refer all participants served under this Agreement to other County alcohol and drug services providers (i.e., State certified Drug/Medi-Cal agencies) for continuing service in accordance with the participant's needs. Such plans shall be approved by Director, before any transfer or referral is completed, except in those instances, as determined by Contractor, where an immediate participant transfer or referral is indicated. In such instances, Contractor may make an immediate transfer or referral to the nearest provider of alcohol and drug services.
- B. Immediately eliminate all new costs and expenses under this Agreement. New costs and expenses include, but shall not be limited to, those associated with new participant admissions. In addition, Contractor shall immediately minimize all other costs and expenses under this Agreement. Contractor shall be reimbursed only for reasonable and necessary costs or expenses incurred after receipt of notice of termination.
- C. Promptly report to County in writing all information necessary for the reimbursement of any outstanding claims and continuing costs.
- D. Provide to County's Department of Public Health (DPH), Financial Services Division, within forty-five (45) calendar days after such termination date, an annual cost report as set forth in the ANNUAL COST REPORT Paragraph of the ADDITIONAL PROVISIONS, attached hereto.

Our Financial Division, will further advise you under separate cover of the cost report requirement.

In addition, the agency, as stated in the Additional Provisions of the contract, is responsible for the following:

- A. [Participant] records shall be retained for a minimum of five (5) years following the expiration or termination of this Agreement, or until Federal, State, and/or County audit findings applicable to such services are resolved, whichever is later, and shall be retained by Contractor at a location in Los Angeles County, or with prior written authorization by Substance Abuse Prevention and Control in any other Southern California location, and shall be made available at reasonable times to authorized representatives of Federal, State and County governments during the term of this Agreement and during the period of record retention for the purpose of program

review and/or fiscal audit. In addition to the requirements set forth under this Paragraph, Contractor shall comply with any additional record requirements which may be included in the Exhibit(s) attached hereto. (Page 32 of the Additional Provisions of the Agreement).

B. Preservation of Records: If following termination of this Agreement Contractor's (parent) facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director of SDADP and the Director shall be notified thereof by Contractor in writing and arrangements shall be made by Contractor, when requested by Director, to transfer to County all service, financial, participant, personnel, and any other related records and reports, referred to hereinabove and any service records in any of the Exhibit(s) incorporated herein for preservation. (Page 36 of the Additional Provisions of the Agreement).